"A STUDY ON THE INVESTORS' BUYING BEHAVIOUR OF LIFE INSURANCE PRODUCTS, WITH SPECIAL REFERENCE TO SERVICE MARKETING MIX, IN THE CONTEXT OF UDAIPUR DISTRICT"

Research Proposal
(For Registration for Ph.D. Programme)

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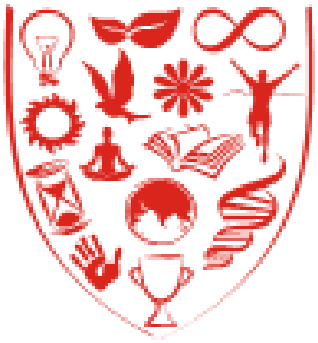

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'CERTIFICATE'

This is to certify that this Research Protocol entitled "**A STUDY ON THE INVESTORS' BUYING BEHAVIOUR OF LIFE INSURANCE PRODUCTS, WITH SPECIAL REFERENCE TO SERVICE MARKETING MIX, IN THE CONTEXT OF UDAIPUR DISTRICT**", by Mejo Varghese, submitted in the fulfilment of the requirement for registration in the PhD programme in the **Department of Management Studies** of the JECRC University Jaipur, during the Academic Year 2021, is a bonafide record work carried out under my Guidance and Supervision.

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Abstract

Ever since the Incorporation of the IRDA and the opening up of the Insurance Industry in India for the Private and Global Players, there has been a Remarkable Productivity in this Sector. This Study is being undertaken to carry out a Detailed Analysis on the Investors Buying Behaviour Pattern, of Life Insurance Policies from various Life Insurance Companies, with respect to Every Element of Services Marketing Mix, taken one by one.

This Research work would be Analytical in Type and Exploratory in Nature, and the scope of this study would be confined to the Investors who have already purchased an Insurance Policy from one or the other Insurance Companies, both from the LIC as well as the Private Sector Companies, because such an Investor, would be at a better Position, to describe his Tale of Experiences and Behavioural Responses of the Company Officials and Company Advisors, in the process of purchasing the policy.

For a Considerably Better, In-depth and Detailed Research Work, the Geographical Area is confined to the Udaipur District of Rajasthan, with a sample size of 407, calculated with the help of Scientific methods. The Primary Data would be collected with the help of Questionnaire and Personal Interview, and the Secondary Data from various Reports and Journals of IRDA and III. Data Analysis and Quantitative Calculations would be performed with the help of various Statistical Tools, on the basis of the parameters set in the Questionnaire.

As a Proposed Outcome of the study, the Researcher looks forward to suggest measures of Improvement to the Life Insurance Companies, with reference to the Quality of Products and Services. The Shortcomings in the Customer Relationship Management, would be Highlighted and a Better Standard of Approach would be recommended, thus laying out a Better Equation of the Service Marketing Mix, to help the Life Insurance Companies to prepare Better and More Productive Marketing Strategies to maximise their Profits.

5. INTRODUCTION

A) Consumer/ (Investors') Buying Behaviour

According to the Definition given **by Belch and Belch**, Investors' Behaviour is the "The Process and Activities in which, the people get engaged in, when Searching for, Selecting, Purchasing, Using, Evaluating, Disposing of products and services, so as to satisfy their Needs and Desires."

First of All, to understand the Behaviour of the Investor, we need to understand the Investors' Behaviour towards the Service Marketing Mix Elements. **In 1991 Cohen said** that "The 4P's should be adapted according to the psychological needs of the Investor. These psychological requirements are based on the Investors' Attitude, Culture, Experience and Learning, and thus would definitely differ from person to person. Based on All the above factors, the decision of the Investor to Buy or Reject the product, comes out. If the product or the Service matches out with the values of the Investor, he will decide to purchase.

Investor Behaviour is a Set of Dynamic Decision Making Processes that surrounds around the purchase and use of products. Investor Behaviour is the importance given by the Investor to each Factor, the Amount of money that he is willing to depart on that particular product and the number of times, he wants to purchase that product.

Investor Behaviour is the study of the Buying Process of the People as to

1. How they Buy? **3. When They Buy?**
2. What They Buy? **. 4. Why They Buy?**

Buying Behaviour is the Decision Processes and acts of people involved in Buying and Using products. The three phases of Investor Behaviour are as follows:

1. Pre-Consumption **2.Consumption** **3. Post -Consumption**

Marketer should understand that at each stage the Investor needs the level of Value created at each stage, because it influences the Investors' Actions, Feelings and Opinions towards the Product or Service.

Some of the most important theories of Investor Buying Behaviour, from the Marketing's point of view are as follows:

1. Theory of Reasoned Action

It was propounded in the late 1960s, **by Martin Fishbein and Icek Ajzen**. The Theory of Reasoned Action centres its Analysis, on the importance of Pre-Existing Attitudes in the Decision-making process. The core of the theory posits that Investors act on Behaviour based on their intention to create or receive a particular outcome.

2. Engel, Kollet, Blackwell (EKB) Model

This Model lays out a Five-step process that Investors use when making a purchase. The first step, input, is where Investors' absorb most of the Marketing materials they see on Media, then he/she moves into Information processing, where the Investor compares the input to past experiences and expectations.

Investors move to the Decision-making Stage after a period of thought, choosing to make a purchase based on rational insight. Investors are affected in the Decision-Making phase by Process variables and External influences, including how the Investor envisions himself or herself after making the purchase.

3. Motivation-Need Theory.

Under this theory, which was propounded by **Abraham Maslow**, people act to fulfil their needs based on a five-part priority system. The needs include, in order of importance: Physiological (Survival), Safety, Love, Esteem, and Self-Actualization.

4. Hawkins Stern Impulse Buying.

It was established by **Hawkins Stern** that the Sudden Buying Impulses rule the Rational Purchasing Decisions to paint a complete picture of the average Investor. Impulse Purchases are driven largely by External Stimuli and have almost no relationship to Traditional Decision-Making.

(References taken from https://onlinemasters.ohio.edu/blog/four-consumer-behavior-theories-every-marketer-should-know)

B) Services Marketing Mix

As Propounded by **Jerome McCathy**, there are certain Core Factors, the Mixture of which affects the Marketing Strategies of an Organisation, as well as the Purchasing or Buying Decision of the Investors. Service Marketing Mix is a set of Marketing tools, Applied by a firm, to obtain its Marketing Targets. **It is the Right Product, at the Right Place, at the Right Price, and at the Right Time.** The Marketing Mix comprises of 4 elements, which are

1. Product
2. Price
3. Place
4. Promotion

And when the Organisation provides a Service, it has to be an **Extended Marketing Mix,** better known as **Service Marketing Mix**, which is

1. People **2. Process** **3. Physical Evidence**

Marketing Professionals, particularly in the Service Industry, should always work with all the Marketing Mix Variables. Service Marketing Mix is a Blend of Marketing Activities, to provide a platform for Marketers, so as to influence the Investors' Buying Behaviour. It was **Jerome McCarthy**, who had invented the Traditional 4P's which were Product, Place, Price and Promotion. **Booms and Bitner** expanded this list to add 3 more P's that is Process, Physical Evidence and People to the Mix. Service Marketing Mix Variables are controllable. They can be adjusted to meet the changing needs of the Target Investors and the other Dynamics of the Marketing Environment.

1. Product, Benefits are the elements which the Investor believes to meets his Needs. It is the Goods or Services or the Combination of both, the Company offers to the Target Market, which has a set of Tangible or Intangible Characteristics.

2. Price, the amount of money the Investors have to pay to obtain the Product or Service. It is a very Sensitive factor and the only Source of Income in the Marketing Mix. Price is that factor which the Investor thinks is the worth or value of his Money, that he has paid.

3. Place, is where the Good or Service will be available to the Investor. It is the Ease of Access, which is associated for an Investor, to a service or a product. A Place that provides every information and benefits of a product at an easily accessible location is the most Preferred Place of the Investor.

4. **Promotion**, It is defined as the Sales Promotion, Personal Selling, Advertising, Public Relations and Direct Marketing. Promotion Activities influences the Investors' Way of Thinking, their Experience as well as their purchasing. Well planned and Structured Promotional Activities enhances Investor's Satisfaction and intention to purchase.

5. Process, The Flow of Activities, Mechanisms and Procedures by which the service is delivered and the implementation of action and function that increases the value for service with a Low Cost and a High Benefit to the Investors. Process is the activities taken to produce or deliver a good

6. People, The most important element of any service or Experiences. People are the employees of the Organisation who have an influence on the Investors. Any employee's attitude can have a positive or negative impact on the purchasing Behaviour of the Investor.

7. Physical Evidence. It is the environment in which the product is purchased. Marketers' ensure that the Investors are felt comfortable, and they enjoy the exercise of Purchasing. It is done, so as to influence their Buying Behaviour.

(References taken from https://expertprogrammanagement.com/2018/03/services-marketing-mix-7-ps/)

C) The Life Insurance Sector in India

In India, the Developmental phases of the Life Insurance Sector had been in a step by step, 3 types of phases which were like this:

1. **Pre-Nationalisation Phase**
2. **Nationalisation Phase**
3. **Privatisation Phase**

(The Ancient Times)

In the Ancient times, there was a Concept of Pooling of Resources, which could be later, used up by the Community when certain Calamities like draughts, floods, or epidemics take place. The mention of these type of pooling is found in the ManuSmirithi and Arthashastra of Chanakya

a) The Colonial Era (The Pre-Nationalisation Phase)

The concept of Insurance might have probably emerged from those times until, somewhere in the beginning of the Nineteenth Century. In 1818, the First Insurance Company in India, was set by Europeans which was the Oriental Life Insurance Company in the erstwhile Calcutta.

The Madras Presidency came up with Madras Equitable, in 1829. There was a now, a strong need of an Indian Insurance Company in India. The British Insurance Act was established in the year 1870. Then came in the year 1870, the First Indian Insurance Company with the name of Bombay Mutual Life Assurance Society.

In the year 1897, the Empire of India company was in the Presidency of Bombay. The following Foreign Companies did a remarkable business in India in those days:

London Globe Insurance, **Liverpool Insurance,**
Albert Life Insurance, **Royal Insurance**

By the year 1912 a strong need was felt to introduce certain Regulatory Acts to regularise the smooth functioning of these Insurance Companies. Some of the Acts which were thus passed were the

1. **The Life Insurance Companies Act, 1912**
2. **The Provident Funds Acts, 1925.**
3. **The Indian Insurance Companies Act, 1928**

In 1938, there was an amendment in the Life Insurance Companies act, in which more of the Regulatory terms and conditions were imposed upon, under the provisions of the Act. Another Amendment in the same act in the year 1950 abolished the Principal Agencies

b) The Nationalisation Phase

There were lots of companies during these days and the business practices of most of them were unfair. **In the year 1956, on 19th January, the Nationalisation of the Insurance Industry took place** as the Government of India, passed the Life Insurance Corporation of India Act, and established the Life Insurance Corporation of India. At that time, there were around 156 Insurance Companies which were Indian, and 16 Companies were there which was non-Indian. Along with this 75 Provident Fund Societies were also merged into the Life Insurance Corporation of India.

c) Liberalisation, Privatisation and Globalisation of the Indian Economy (1992)

Whereas, in the Life Insurance Sector, There was a Monopoly of the LIC in the India, till the year 1990. But, In spite of Nationalisation, it was observed that the Insurance Sector was not making a remarkable Profit as it was expected. Then in the year 1992, with the opening up of the Indian Economy for Liberalisation, Privatisation and Globalisation, all the doors and windows of the Indian Economy was thrown open to the private and global multinationals.

d) The RN Malhotra Committee

A committee under the leadership of the RN Malhotra, who had been the former Governor of RBI was constituted to recommend Reforms in the Insurance Sector in India. It was, on the Recommendation of this Committee that the Privatisation and Globalisation of the Insurance Sector in India took place. **The Foreign players were permitted to join an Indian Insurance Company, with a maximum stake of upto 26% in the company.**

e) The Insurance Regulatory and Development Authority of India (IRDA).

The Other, Most important Recommendation of the RN Malhotra Committee, was the establishment of the IRDA. The Government of India, introduced the **Insurance Regulatory and Development Authority of India Act in the year 1999,** with the establishment of the Insurance Regulatory and Development Authority of India. (IRDA). The IRDA started its operations from April 2000.

The Major Role of IRDA had been to

1. **Stand up as a Controlling Authority** to take care of the smooth and on the track activities of the Insurance Companies.

2. It also takes care of the **Promotion of a Decent Competition** among the various Insurance Companies in India, such that the customer could avail a wide variety of choices in the Insurance Products, along with a lowest possible Premium Payment Rates, based on the Actuarial Sciences and Mortality rates.

3.The Paramount interest of the IRDA was to safeguard the interests of the Public's money and to ensure that the amount invested by the policyholders were safe and secured, even in the case of a strong setback like Merger, Acquisition or even the Liquidation of any Insurance Company has to take place. **The Security and Safeguard of the Investors Money is the topmost priority for the IRDA.**

The **Section 114A of the Insurance Act, 1938** gives the IRDA the following very important powers about the following.

1. The **Power to Frame Regulations for the Registration** and Incorporation of the New Companies.

2. The Conduct of Insurance Business taking into effect, the **absolute care of Protection of the Interests and Investments of the Policyholders.**

f) The Present Day Scenario of the Insurance Business in India.

With this, there came in, **a Dynamic Enthusiasm in the Indian Insurance Industry** and the economic scenario of the country, in terms of the Insurance Business boomed up like anything. There was a striking and a Remarkable Improvement in the Insurance Business Scenario. Not only this, the Life Insurance companies came up as a great source for enormous Job Opportunities, in our country. The products of these Multinational and Private Companies were very much Competent. **The Insurance Sector is growing at a rate of 20%, and along with the Banking Sector it makes up to be 7% of the GDP of India**. The Insurance Sector stands up as Long Term Assets and Funds for the Infrastructure Development of India.

The Insurance Business has also become easily available, accessible and very much user-friendly. The internet sites like PolicyBazaar.com helps us to compare the premium rates

among the various Insurance Companies, in addition to the comparison of their features, with the products of other Insurance Companies.
There is a tremendous growth and Development of Life Insurance Business in India. In 2008 there was a fabulous growth rate of around 120%

6. LITERATURE REVIEW

1. Consumer Buying Behaviour towards Life Insurance Policies in Thanjavur City by Guru. P & Uma Maheswari. D, International Journal of Recent Technology and Engineering (IJRTE), July 2019.

Service Quality, Ease of Procedures, Loyalty towards the Company, have significant Impact on Investors Buying Behaviour of Life Insurance policies. The Life Insurance companies need to focus on these aspects to enhance the Investors Buying Behaviour on the Life Insurance Products. Analysing the knowledge of the Insurance policies which has already been purchased, it was found that the knowledge of Surrender value was the Highest, followed by the Amount of Premium.

2. Consumers Behaviour Towards Life Insurance Services in Rajasthan: A Descriptive Study of Service by Life Insurance Public and Private Sector in Urban and Rural Market with Special Reference to Rajasthan, by Sudhir Sharma, Anna University. Date: 01/10/2019.

Majority prefer Low Risk ad High Return Policies, rather than High Risk and High Returns. The most interesting Finding was that nowadays, most of the Investors were interested to know the details of the policy that they were purchasing. Disposable Income of the common Indian Investor is increasing gradually, which is giving them a good Purchasing Power to purchase Insurance policies. Investors' Relationship is the most important driving factor towards Insurance Business. If the quality of Service by the Private Sector is of a good standard, then India can become the biggest market for any Insurance Company.

3. A Behavioral Study of Life Insurance Purchase Decisions, By Manohar Giri, Department of Industrial and Management Engineering, Indian Institute of Technology, Kanpur in March 2018

Their study was to understand the Investor Behaviour associated with the Purchase Decisions of Life Insurance in context to Indian Investors'. The study was on

1. How the Individuals made a Decision of Purchasing Insurance. ?
2. How the Choices of the Kind of Insurance Policies was Chosen?
3. Why some of the Insurance Owners, get their policies Lapsed?

They have found that the level of Education, the gender and the size of the family, affects a lot on the probability of acquiring Insurance policies. 23% in the sample had Term Policies, 25%

had Endowment Policies, 22% had multiple policies and 30% did not know what kind of policies they owned.

4. Consumer Buying Behaviour towards Life Insurance. (An Analytical Study) by M Sumanth and D.Sidhardha (in July 2017) Department of Management Studies, MVGR College of Engineering, Vizianagaram, Andhra Pradesh, in July 2017.

They have studied that Males of the age group from 31 to 40 years of age, prefer to invest more in insurance, as they have got a very good Disposable Income. Postgraduate and Graduates have got a good awareness, towards the Need for Insurance. People prefer more short Term policies than Long Term. Majority of people know 2 or 3 companies only. Tax Benefits, Risk Coverage and Growth are the major factors that drive people towards purchasing Insurance.

5. Marketing Mix Factors Influencing Customer Purchase Decision of Life Insurance from Commercial Bank, by Ratchadet Atikanit and Dr. Chinnaso Visitnitikija for International Conference on Literature and Interdisciplinary Studies, Bangkok July, 2017

The Investor wants to know regarding the conditions covered in the policy and the stability of the commercial bank from which they are about to purchase the policy The Commercial bank Administrative Officers, should emphasize on Offering Promotion Event Booth like Money Expo to advertise the policy. Reliability and stability services. People always prefer Public sector Insurance companies, rather than Private Sector. Celebrity Endorsement had the Highest Influence, followed by Presentation and Language of the Advertisement.

6. A Study on Consumer Behaviour on Life Insurance Products - With Reference to Private Bank Employees in Chennai by R. Uppily for International Journal of Engineering and Management Research for the issue of May 2016.

77 % of their respondents were married with a monthly income of more than 60000/- .Their study revealed that most of the people up to 38% preferred Money Back Plan and some of them also preferred up to 27% Term Assurance. Almost 66% people preferred Large Risk Coverage as the most important criteria for purchasing policies. And 64% of the people have purchased policies through Agency Channel. LIC is the most preferred Life Insurance Company and Max Life and Reliance Life are the least preferred.

7. Factors influencing Consumer Behaviour for Health Insurance. Researcher Manish Joshi, at Devi Ahilya University, Indore at 2016.

There are different types of Health Insurance Plans for Individuals, Family members and Group Health Insurance plans. Factors responsible for the growth of Health Insurance Factors were Qualifications and Quality of Sales Professionals, Advertisement Campaigns, Cashless Health insurance schemes, Availability of Customized Health Insurance, Higher Claim Payout Ratio, Location of Serving Branch of Investors', Online Claim Settlement Facility, proportion of premium and Coverage available, Service quality of Third party Assurance, Tax incentives, Wider diseases Coverage and Wider List of Approved Hospitals. Larger number of Young

professionals with Higher Disposable Income are more conscious of buying Health insurance policies on the basis of their requirements. They prefer to buy Individual Health insurance as compared to Group, as they keep on changing their jobs for their professional growth. Senior Investors' are more concerned about their Health, but they prefer to have Annuity benefit on every type of Investment, or Savings.

8. Consumer Behaviour in purchasing of Life Insurance Products. Researcher: Deepa E. University: Acharya Nagarjuna University. In 2015.

The study was conducted to understand the profile of the customers and their preferences while purchasing Life Insurance Policy. Marital status has been found to strongly effect the Household and Individual Life Insurance Demand. Married men have been found to be spent more on Life Insurance than single. If the Marital status changes, the requirement for Life Insurance also changes, or it needs to be amended or it may no longer be required.

9. Consumer Buying Behaviour towards Life Insurance 'A Case Study of Nalgonda District, Telangana State by P Rajavardhan Reddy, Department of Business Management, Osmania University Hyderabad in March 2015.

Security features of the Insurance products has direct positive influence on motivation to purchase. Information of the products is very necessary for direct persuasion to Purchase. Marketing activities of the Insurance Companies, has direct influence on the future purchase intention of the Rural Customers. They have studied that the individuals have their own perception towards various investment plans. The Investor's Perception towards Life Insurance Policies is Positive.

10. A Study of Consumer Behaviour in the purchase of Life Insurance product with Special Reference to Gujarat State, Researcher Prajapati Ketankumar, Shri Jagdishprasad Jhabarmal Tibarewala University, submitted on 09/05/2014

50.6% of the respondents preferred to purchase Insurance Policies from LIC only.35.6% people have purchased at least one Life Insurance product, from a Public Limited Company. Relationship was one of the most important reason for purchasing a Life Insurance Product from a particular Company. Quality of Services and Trustworthiness of the Agents as well as the Company were the other important factors, which led to the purchase of Insurance Products.

11. Dipin Mathur and Ashish Tripathi, Factors Influencing Customer's Choice for Insurance companies - A Study of Ajmer City", IOSR Journal of Business and Management, 16/2/2014.

The study was to determine the factors affecting Investor's choice for the selection of the Company. The most important factors were, Online Transactions, Ease of connectivity with Bank. Efficiency of Transactions, Reputation of the Company. The Company should focus on factors like Location, Branch Network, Service Delivery, Infrastructure, Company working hours, Guidance and the Responsive of the Staff Members. The Management should make

Appropriate Marketing Strategies to retain and attract their potential Investor's to increase their Market Share and Profits.

12. A Study of Consumer Behaviour towards Endowment policy of Life Insurance Corporation of India, Perambalur, Tamilnadu at Bharathidasan University. Year 2013.

Policyholders usually look for a policy with Lumpsum Returns like the Endowment Plans, at the verge of Retirement or at the time of the Marriage of their Children or for the Education of the Children. The LIC of India, already has got a very good customer base among the Government Employees, so they should focus more on the other Investors. Besides this the LIC should come up with Low Premium Policies to cater to the needs of Low Income groups and Dependants also.

13. A Study on service quality perception towards Life insurance Corporation of India with special Reference to Chennai City. By Malar J Ethen. At Manonmaniam Sundarnar University, in 2013.

The most Convenient Source of Buying Insurance is through Agents only. The Agents usually drive policies of Higher Premium, so that they can earn a Higher Commission. After LIC, ICICI Prudential followed by HDFC Life and Bajaj Allianz are the order of choices of the Investors. In terms of Investments Banks are still the Safest Choices of Investors as compared to investing in Insurance Policies. Income positively influences the demand for Life Insurance.

14. Life Insurance Service Quality and Customer Satisfaction a Comparative Study of LIC and Private Sector Insurance Companies in Chennai city By Mahalakshmi at Madurai Kamraj University. Year 2012.

People purchased Insurance due to Investment Motive and Social Influence Motive. Term policies were usually brought with Tax Saving Motive. Most cited reason for Lapsation was that, the reason for taking an Insurance policy is not relevant any more. There is no significant impact of Education or Gender on the choice for the Company. People are quite aware of the knowledge of Additional Benefits like Term of Policy, Additional Benefits and loan Facilities.

15. A Study on Customer Perceptions and Purchase Intentions towards Life Insurance Products and Services of both Public and Private Companies. Researcher: Kolla, V R Satya Kumar University: Acharya Nagarjuna University. Year 2011

31 to 45 Age group invest, as much as possible in insurance, because of their excellent Disposable Income. with Term Plan as the most important priority. There is still a lack of awareness among many of the people and more of Product Innovation is required in the Life Insurance Sector. The study has shown that nobody is interested to buy Life Insurance, it has to be sold. This Approach needs to be changed by the Life Insurance Companies by attracting the Investors. There is a lot of Investors' Grievances and Low Persistency, because of the huge level of Misselling which has been done

16. A Study of Buying Behaviour for Micro Insurance. By Sandeep Bhardwaj, at Symbiosis International University, Pune Year 2011.

The Insurance Companies must try to come up with Low Premium Policies, to cater to the needs of Very Senior Citizens also. There is a grievance that the agents and the Development Officers are usually more interested in procuring New Business only and they are not bothered about the policy servicing of the existing Policy Holders. They have studied that the Individuals have their own perception towards various Investment plans. The Investor's perception towards Life Insurance Policies is Positive.

17. A Study of Consumer Buying Behaviour towards Life Insurance Policies in Punjab State. By Dr. Manish Bansal, I.K. Gujral Punjab Technical University, Jalandhar. On 24/10/2010

In this study an attempt was made to find out the Buying Behaviour of Investors towards Life Insurance in Punjab State with Special Reference to Amritsar, Jalandhar and Patiala. It was found that majority of the people in the Punjab State, were not covered under any Insurance policy. Education definitely plays a very important role in purchasing Life Insurance Policies. There is a proven scientific relation between Buying Decisions and education. A large part of the market in Punjab is still Untapped, as far as the Insurance Industry is concerned.

18. Customer Perception and Satisfaction towards Public and Private Life Insurance Sector, Researcher Reena Vittal Tonse, Shri Jagdishprasad Jhabarmal Tibarewala University, submitted on 05/05/2010

Most of the people who work with Private Companies, buy Security Benefits for their Families, whereas for those working with the public domain, the organization itself buys the Security Scripts. The Investors in the Rural Areas have a strong, sense of Feeling of Importance for the Need for Insurance as compared to the Investors of Urban Areas. Education or literacy level, plays a very crucial Role in selecting the right products from the various Companies. In India,

19. A Study of Buying Behaviour of Consumers Towards Life Insurance Policies. By Dr. Praveen Sahu, Gaurav Jaiswal and Vijay Kumar Pandey, Prestige Institute of Management, Gwalior. Year 2009

Their study was to standardize a measure to evaluate, Investment Pattern in Life Insurance policies and the factors underlying consumer perception towards investment in Life Insurance Policies. The major factors' which develop Investor's Perception towards Life Insurance are Quality of Service provided by the Company, Loyalty of the Brand, Brand Image of the Company, Minimum Technical Complications and the Customer Relationship Management of the Company. A lot of Opportunities are waiting in the Insurance Industry.

20. Study of Consumer Behaviour in Insurance Services related to Construction Sector in UAE in December 2009 Authors: Kishankumar Solanki (Indira Gandhi National Open University (IGNOU)

Factors which ultimately influence the Investors in the purchasing of Life Insurance products are

1. Risk and Returns **2. Corporate Image** **3. Persuasiveness (of the Agent)**
4. Safety and Security **5. Family Welfare** **6. Flexibility**
7. Reliability

Private Life Insurance Companies must well train their Agents as they are the face of the Company in the market. They must be trained well as to how to uphold a healthy relationship with their valuable customers.

7. RESEARCH GAP ANALYSIS

After studying the above mentioned Literature, the Researcher came to the conclusion that no study is so far conducted on below mentioned dimension of the titled subject, **in the context of the Investors of Udaipur District.**

1. The Order of Preference of Life Insurance Companies as **to which one is considered to be the Best in the Private Life Insurance Sector and what is the reason for that**? The Knowledge of the Comparative features of "this" company, because of which you feel "this company" to be the best?

2. **The Best Channel of Insurance that you would prefer to purchase an Insurance policy?** How much do you understand about the various Channels and Distribution options available in an Insurance Company to buy policies?

3. **The Impact of Advertisements in the various media, which prompts you to buy Insurance policies**. Do you ever remember having seen the advertisement of any particular Insurance company or policy? If yes, then how much did it prompt you to purchase that particular policy from that particular company?

4. **The Importance and Perception of after Sales Services, after purchasing a policy from a Life Insurance Company**. Are you getting proper After Sales Services from the Agent/Advisor? Is the Company maintaining proper communication with you, regarding Premium Payment due dates, fund values and intimations of any Lapsation.

8. STATEMENT OF THE RESEARCH PROBLEM

Various studies have been done on the Investors' Perceptions and Buying Behaviour as far as the various aspects of Life Insurance policies are concerned globally, particularly in countries like Sri Lanka, Thailand, UAE, United Kingdom, Czech Republic, and Indonesia. Several studies have also been done on the Buying Behaviour of Investors of Life Insurance in India. Wherein Researchers have made efforts to find out the Significant Relationship of the choice of Investors and Quality of Investments to the most preferred Type of Insurance Companies

and the Type of Policies, but still focus is required to study the impact of the elements of Services Marketing Mix influencing Investors' Decision, particularly in the context of the Investors' of Udaipur District.

The Effect of the Features and Benefits of the Insurance Policy are also the various aspects of the Topic, which needs a thorough Study and Understanding.

So the Statement of **Research Problem** is as follows:

"A Study on the Investors Buying Behaviour of Life Insurance Products, with Special Reference to Service Marketing Mix, in the Context of Udaipur District."

Following are the detailed descriptions of Terms used in the discussion.

1. Disposable Income

The Income left with an Investor after Deducting all the Expenses and Liabilities. This is the Income, which is in his hands, at his Disposal to decide on, as to how much to spend or save from it.

2. Proposed Insured

The person whose Life is actually being insured, within the policy. He/ She may not be the person who is paying the Premium of the Policy.

3. PolicyHolder

The person who is paying the premium of the policy. He/She may not be the person whose Life has been insured.

4. Insurable Interest

The Legal or officially accepted Reason because of which a person should take the policy on the life of another person who may be related to the person on one way or the other. A husband and wife have Insurable interest in each other, but a brother and sister doesn't have insurable interest in each other.

In this Analysis, key points have been focused to study and get results which can be helpful to make the Policies and Marketing strategies more useful and beneficial from the Companies' and Investors' point of view.

9. OBJECTIVES OF THE STUDY

The purpose of this study is to Describe, Analyse, and Understand the Relationship between the various Variables or Factors which Influence the Purchasing Decisions of the Investors of Life Insurance Products with special Reference to each and Every Element of the Service Marketing Mix. More specifically the Study aims to achieve the following objectives, in the context of the Investors of Udaipur District:

1. 1 To **Identify the Factors affecting the Choice of Investors in choosing a Life Insurance Policy.**

2. To **Determine the Relative Importance of Each Factor of Service Marketing Mix** Influencing the Investors' Decision on choosing a Life Insurance Policy

3. To **Analyse the Factors affecting the Choice of Investors** in choosing a Preferred Life Insurance Company.

4. To **Study the Comparative Analysis of the Investors' Behaviour Pattern**, regarding the purchase of Life Insurance Policies.

10. RESEARCH METHODOLOGY

Following Research Methodology is adopted for this Research: -

10.1 TYPE OF RESEARCH

Research Methodology to be used in this Research is **Analytical Type** and it has **7 Independant Variables and 1 Dependant Variable** for the Research Study. This Research is **Exploratory** in nature. **Cause & Effect Relationship Study** is also required to check the impact of Purchase Intention of the Investors of Life Insurance Products on the Type of Policy purchased and the Type of Life Insurance Company preferred to make the purchase. Field survey for Data Collection is required by visiting each of the Policyholder.

10.2 HYPOTHESIS

The Following Hypothesis have been set for the study of Investors' Buying Behaviour of the Life Insurance Products, with special Reference to Service Marketing Mix, in the context of the Investors' of the Udaipur District:-

HYPOTHESIS-1

H0: There is No Relationship between Product Benefits (Features of the Policy) and the Investors' Buying Intentions.

H1: There is a Positive Relationship between Product Benefits (Features of the Policy) and the Investors' Buying Intentions.

HYPOTHESIS-2

H0: There is No Relationship between Price (Premium Rates) of the Policy and Investors' Buying Intentions.
H1: There is an Inverse Relationship between Price (Premium Rates) of the policy and Investors' Buying Intentions.

HYPOTHESIS-3

H0: There is No Relationship between Place (Availability) of the policy and Investors' Buying Intentions.
H1: There is a Positive Relationship between Place (Availability) of the policy and Investors' Buying Intentions.

HYPOTHESIS-4

H0: There is No Relationship between Product Promotion Activities of the policy and Investors' Buying Intentions.
H1: There is a Positive Relationship between Product Promotion Activities of the policy and Investors' Buying Intentions.

HYPOTHESIS-5

H0: There is No Relationship between People (Customer Relationship Management) and Investors' Buying Intentions.
H1: There is a Positive Relationship between People (Customer Relationship Management) and Investors' Buying Intentions

HYPOTHESIS-6

H0: There is No Relationship between the Operational and Policy Servicing Processes' and Investors' Buying Intentions.
H1: There is a Positive Relationship between the Operational and Policy Servicing Processes' and Investors' Buying Intentions.

HYPOTHESIS-7

H0: There is No Relationship between Physical Evidence of the Organisation and Investors' Buying Intentions.
H1: There is a Positive relationship between Physical Evidence of the Organisation and Investors' Buying Intentions

10.3 SAMPLING PATTERN

Stratified Simple Random Sampling Pattern shall be used by visiting Policyholders, who have already made a Purchase Decision and has gone through the Entire process of Buying Mechanism and is now at a very good position to describe his Tale of Experiences, about the After Sales Services and Behavioural Responses of the Company Officials and Advisors. He would be a perfect Unit, to provide us the best responses through Questionnaire and Personal Interview

The **Strata** which would be formed for the Investors, would be on the basis of various Tehsils or smaller Townships of the Udaipur District, and **within each stratum, the Simple Random Sampling would be applied** to select the Sample Size.

In certain cases, which may not be more than 5% of the Total Sample Size, Convenience or Judgmental Sampling may be used to know the Expert Opinion or Opinion of some Special People closely related to the topic, who may throw a brighter light on the various aspects of the Survey.

10.4 POPULATION/ UNIVERSE

Population or Universe is the entire lot of Insurable people, who are Educated, Financially Capable, Sane enough, staying in the Udaipur District, and have enough Insurable Interest in themselves so as to purchase a policy for themselves or for the "Proposed Insured" for whom the policy has been taken by them. For this, the sample has to be collected for Statistical Analysis & exploring the influence made on the Purchase Decisions of the Investors Behaviour Pattern towards Life Insurance Products, with special reference to Services Marketing Mix. These are a lot of people who have already gone through the process of purchasing the Life Insurance policies from various Companies.

10.5 SAMPLE SIZE

Sample size will include the number of Investors of Udaipur District who has already purchased Various Life Insurance Policies, from one or the other Life Insurance Companies. Sample will be collected during Field Survey for finding the impact of the Policy Purchase Decision and Behaviour Pattern and Experiences from the Investors. Sample of different Tehsils and small Townships of the Udaipur District, would be taken into consideration to select the sample size to get a Good Quality Data for Statistics & Findings.

Using Cochran's formula for calculating sample size when population size is Finite/ (Infinite):

$$n = \frac{n_o}{1 + \frac{(n_o - 1)}{N}}$$

Here n_0 = sample size for infinite population using Cochran's formula

$$n_o = \frac{z^2 * p(1-p)}{e^2}$$

Z = value of z distribution for desired confidence level
P = Proportion of attribute in the population
e = Margin of error
N = Sampling population

The sample size with a 5% margin of error & 99% Confidence level using the Cochran's formula for (Finite/Infinite) Population, that is at 1% Level of Significance and 5 % margin of Error, **the value of Z for a One-tailed test = 2.33**

This is a **One Tailed test because my Alternate Hypothesis says that there is a Positive/Inverse Relationship, means (Either Right Tailed or Left Tailed) Relationship** between the Elements of Service Marketing Mix and Investor's Purchase Intentions. The Value of p=0.25**,** as we are assuming that, (75% of Indians are Uninsured or Under Insured and only 25% Insured so far), on the basis of a Survey of the Business Standard.

So, n= Sample Size= 406.96

Sample size for this study would be taken as **407 (Rounded to the nearest)**

10.6 DATA COLLECTION

Analysis will be made by using Primary Data as well as Secondary Data.

Primary data shall be collected, with the Help of a Questionnaire, and a Face to Face Interview will be carried out wherever it is felt required.

- Field Survey, will be done for Observation & Sample Collection, will be collected from the Respondents.
- Interview will be taken in some cases, where the need to Explain the Questions while filling up of the Questionnaire, will be there.
- Questions in **Questionnaire would be both Close ended and Open Ended, as well as Objective and Subjective Type, in nature.**
- After taking feedback from the Investors in the Questionnaire, it shall be filled up by Personal Interview also, in some cases, to have the Realistic Approach & a Correct Level of Data Sampling. Results will provide the Conclusion for the study.

Secondary Data shall be taken from

1. Excerpts, Reports and various Journals of the IRDA.
2. Reports and Journals of III (Insurance Institute of India), and other Government Authorities.
3. Internet, Textbooks, Government Publications, Unpublished Research Work and journals, Insurance Experts advises.

10.7 Statistical Tools of Data Analysis

Quantitative Techniques will help us for Data Analysis and Objective Measurements during Research work. Quantitative methods will emphasise on the Study of collected Data and Mathematical & Statistical Analysis as well as the study of **Bar, Graph & Pie Charts.**

On the basis of the Parameters that has been set in the Questionnaire and the data that has been derived in the Sample Survey, there will be a requirement for **Chi-Square Calculations on the basis of Frequencies set up, for the Independent Attributes**.

After the evaluation, on the basis of the Chi-Square Distribution, and after knowing the situation of Dependancy or Independancy, there **may be a requirement to study the Z-test,** if the Responses are based on the proportions, because **we have a Large Sample Size.**
A Regression Analysis could also be done on the basis of a Regression Equation, wherein Y that is the Investors Purchase Intention, would be taken as the Dependant Variable and X1 to X7 that is the elements of Services Marketing Mix would be taken as Independent Variables. Correlation could also be established on the basis of these variables to find the Results & Conclusions. SPSS software & Microsoft Office tools, like MS Excel etc. will be used to analyse the collected data

11. SCOPE OF RESEARCH

This Research will be based according to a Time Frame **(January 2020 to December 2022). The scope of this Research has been confined to the Geographical area of the Udaipur District of Rajasthan State of India.**

This has been done, so that we would be able to get

1) A Multi-Faceted and a very good and wide variety of Data.
2) Care would be taken that Approach would be done,
    a) To well Educated People
    b) With a very good Monthly Income at their Disposal,
    c) And those people who have already taken the Services of one or the other Life Insurance Companies.
    d) Most of the Respondents would be of the Productive (Income Earning) Age group (i.e. 25 to 55 years)

The Open and Wide Scope of Research, all over the Udaipur District, will give us a Cosmo politic range of Data with a very wide Variety of Responses, so that we will be able to present a Better and a Broader Picture of the Solutions of the Survey. The Investors of both the Private Sector Life Insurance Companies and the Life Insurance Corporation of India, will be taken into consideration, for this Research.

The main scope of this work is to study the Investors' Perception and their Opinion and Behaviour regarding the Various Aspects of, the Buying Mechanism of the Life Insurance Products.

12. PROPOSED OUTCOMES

1. This Study will suggest the measures of **Improvement** to the Insurance Companies, **with reference to the quality of their Products and Services.**

2. This study will highlight the **Lacunas (Gaps) in the Customer Relationship Management Approach (Both before Sales and After Sales)** of some of the Life Insurance Companies and would recommend **a Better Standard of Approach** towards the prospective Future Investors.

3. This Study will try **to lay out a Better Equation of Marketing Mix**, for some of the Life Insurance Companies, which **would further help them to prepare more Productive Marketing Strategies which would maximise their profits,** in the coming Financial Years.

4. This Study **would highlight the Need of Easing out the Operational and Policy Servicing Processes for the various Procedures of the Company**, with Reference to Investors, such that they feel more attached with the Better and Transparent Behaviour of the Company Officials

13. LIMITATIONS

1. **The study will be Limited to the Udaipur District of Rajasthan only, and will only cover certain Strata of people only.**

2. The study has Limited Sample Size, Geographical Area, Time, Money and Other resources.

3. The study will be limited to well educated people only, who have a very good Disposable Income, and also with the respondents of certain Age group only. This has to be done, since the people of this category, who have gone through all these processes are understood to prove out as better Respondents.

4. The **Time frame of study will be limited to January 2020 to December 2022**.

5. The respondents **may not provide True & Correct Information**.

6. The Respondents **may be Reluctant to answer the Questionnaire** or Divulge their Personal Information like Monthly Income etc.

7. Will try **my best to Avoid Sampling Frame Errors**, which may still creep in unknowingly.

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15. MONTH-WISE PLAN OF WORK

Dates	**Plan to Achieve**
May, 2020 to August, 2020 (04 months)	Review of the Literatures
Sep, 2020 to Nov, 2020 (03 months)	Preparation of Research Proposal
Dec,2020 to February, 2021 (03 months)	Study on Investors Buying Behaviour and Marketing Mix.
March, 2021 to October, 2021 (08 months)	Sample Survey and Data Collection
November, 2021 to June, 2022 (8 months)	Analysis and Interpretation of Data and Verification of the results
July, 2022 to December, 2022 (06 months)	Preparation and Submission of Report
	Total Time (Expected) = 32 Months